

SENATE BILL 813

By Green

AN ACT to amend Tennessee Code Annotated, Title 47
and Title 55, relative to motor vehicle recalls.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 55, is amended by adding the
following new chapter:

55-54-101.

This chapter shall be known and may be cited as "Lara's Law."

55-54-102.

For purposes of this chapter:

(1) "Manufacturer" means any entity:

(A) Manufacturing or assembling motor vehicles or motor vehicle
equipment; or

(B) Importing motor vehicles or motor vehicle equipment for
resale;

(2) "Motor vehicle" means any self-propelled motor-driven vehicle having
a gross vehicle weight rating (GVWR) of ten thousand pounds (10,000 lbs.) or
less of the type required to be registered and titled under this title and includes
both new motor vehicles and used motor vehicles;

(3) "Motor vehicle dealer" or "dealer" has the same meaning as defined
in § 55-17-102;

(4) "Recall database" means a database from which safety recall
information may be obtained by submitting a vehicle identification number (VIN)

with respect to a specific motor vehicle and containing not less than the information available through the website www.safercar.gov;

(5) "Recall database report" means a report, specific to a vehicle that is identified by its vehicle identification number (VIN), containing information obtained from a recall database;

(6) "Safety recall" means a recall conducted pursuant to 49 U.S.C. § 30118 in which a recall notice to owners of affected vehicles has been issued; and

(7) "Wholesale transfer" means the transfer of ownership of a motor vehicle between motor vehicle dealers licensed by chapter 17 of this title, motor vehicle dealers similarly licensed in other states, automobile auctions, and manufacturers.

55-54-103.

(a) A motor vehicle dealer shall not sell or lease at retail a motor vehicle unless the dealer has obtained a recall database report for the motor vehicle. The dealer shall update the recall database report at the time of delivery of the motor vehicle to the consumer.

(b) A motor vehicle dealer shall not sell or lease a motor vehicle at retail if the dealer knows or should have known that the vehicle is subject to a safety recall, unless the repairs required to correct the defect have been performed on the vehicle.

(c) For purposes of this section, a motor vehicle dealer is deemed to have knowledge of a safety recall if:

(1) A recall database report reflects that the vehicle is subject to a safety recall;

(2) The dealer receives notification of the manufacturer's safety recall of the vehicle pursuant to 49 U.S.C. § 30118 or 49 U.S.C. § 30119;

(3) The dealer is a franchisee of the manufacturer, or was a franchisee of the manufacturer at the time the manufacturer issued the recall, and had access to safety recall information provided by such manufacturer to its franchisees;

(4) Prior to the sale or lease at retail of the motor vehicle, the manufacturer had made information about the safety recall regarding the specific vehicle available on the manufacturer's website, searchable by the vehicle's identification number (VIN); or

(5) The dealer otherwise has actual knowledge of the safety recall.

55-54-104.

Section 55-54-103 does not apply to any wholesale transfer of a motor vehicle.

55-54-105.

If a franchise motor vehicle dealer acquires a motor vehicle that is subject to a safety recall and the manufacturer with which the dealer has a franchise agreement has not yet developed a remedy to correct the defect or has not made the appropriate replacement parts available to the dealer to correct the defect, then the manufacturer shall reimburse the dealer at least one percent (1%) per month of the wholesale value of the vehicle for each month the vehicle remains in the dealer's inventory, until such time as the remedy or parts are provided by the manufacturer.

55-54-106.

Compliance with this chapter may not be waived by a consumer.

SECTION 2. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding the following as a new, appropriately designated subdivision:

() Failing to comply with the requirements of title 55, chapter 54;

SECTION 3. This act shall take effect January 1, 2018, the public welfare requiring it.